



**FIFTH MEETING
of the
LEGISLATIVE HEALTH AND HUMAN SERVICES
COMMITTEE**

**October 2, 2013
Bob Moran Hall
New Mexico Junior College
1 Thunderbird Circle
Hobbs, NM**

AGENDA ITEM #(6)

**Lea County Health Care Plan; Sole Community Provider and Indigent Funding
Mike Gallagher, County Manager, Lea County**

- Item 1: Lea County Healthcare Study Summary**
- Item 2: Sole Community Provider & Indigent Funding**
- Item 3: Lea County Indigent Claims Program**
- Item 4: 2013 Lea County Community Information**
- Item 5: New Mexico Population Growth**



LEA COUNTY HEALTHCARE STUDY

October 2, 2013 – NMJC Bob Moran Hall

PROJECT GOALS

1. Identify existing healthcare resources that are available in the community
2. Determine the resources that should be available for a community with similar demographics
3. Identify what additional healthcare services should be offered and available in Lea County
 - a. Primary Care
 - b. Specialty Care
4. Outline the services that could be an economic and employment driver for Lea County
5. Develop strategy for program or service development
 - a. Partnerships
 - b. Development of a hospital district
 - c. Expanded OP facilities

LEA COUNTY HEALTHCARE STUDY KEY ISSUES

1. Collectively, local Healthcare providers are not meeting the needs of the community
2. Lea County is the fastest growing County in New Mexico
3. **Lea County hospitals are caring for less than 50% of the County residents that require hospitalization**
4. **More than \$140,000,000 per year in "lost" revenue plus an untold number of related jobs**
5. Locally inpatient market share has declined significantly over the past 10 years
6. Several physicians that were employed in Lea County have left the community
7. Lea County health behaviors rank 31 out of 33 New Mexico counties
8. There is a critical shortage of clinicians in Lea county – the ratio of clinicians to residents ranked 26 out of 33 New Mexico counties

LEA COUNTY HEALTHCARE STUDY COMMITTEE MEMBERS

Ron Black – Lea Co.
Sam Cobb – Hobbs
Dr. Chris Driskell
Kenny Fadke
Jackie Ford – Jal HD
Gregg Fulfer – Lea Co.
Mike Gallagher – Lea Co.
Oscar Gonzalez
Lisa Hardison – EDC
Brian Henning – Eunice HD
Dr. Algimantas Jecius

Dr. Daniel Mayes
Dr. Patel Mukeshbhai
J. J. Murphy – Hobbs
Dr. Jeffrey Nelson
Pam Parkinson – AMG
Evelyn Rising – UNM
Dr. Elias Said
David Shaw - NLGH
Gregory Smith – Urenco
Tracy South – PMS
Tim Thornell - LRMC

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SOLE COMMUNITY PROVIDER & COUNTY INDIGENT FUNDING

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State Proposal: New Mexico Human Services Department proposes to redirect in statute the 2nd 1/8th increment to fund hospitals in two ways under Centennial Care – Uncompensated Care (UC) pool (formerly known as SCP) payments and Medicaid base rate increase for inpatient services.

1. The 2nd 1/8th is a County-imposed tax to fulfill the County's responsibilities set forth in the Indigent Hospital and County Health Care Act.
2. The 2nd 1/8th was established by local County ordinances, voter opposition/Repeal Tax.
3. Funding is collected from this tax for the care of indigent patients residing in that county.
4. Redirect of the 2nd 1/8th will limit a County's ability to meet the health care needs of their residents outside of the hospital setting, such as primary care and preventive care.
5. In addition, most County Indigent Health Care positions may be eliminated state-wide.
6. Many counties only have the 2nd 1/8th increment to meet the health care needs for their residents. Without these funds Counties cannot run effective Indigent Programs. Cost shift will burden county general funds or force an increased tax burden on their residents.
7. Many counties fund the County Supported Medicaid obligation from the 2nd 1/8th, as provided for by law.
8. Counties may be forced to increase the tax burden on residents by imposing the 1/16th GRT dedicated to the County Supported Medicaid Fund.
9. Many counties fund inmate medical care through the 2nd 1/8th increment.
10. HSD cannot guarantee the return of county-generated funds back to its SCP hospital.



LEA COUNTY INDIGENT CLAIMS PROGRAM

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- **Lea County Board of County Commissioners also serve as Indigent Hospital Claims and County Health Board**
- **Commission has appointed Indigent Hospital Claims and County Health Advisory Board**
- **1/8th percent Indigent Gross Receipts Tax effective January 1, 1990**
- **Current-year Indigent GRT expected to provide \$5,000,000 in revenue**
- **Indigent Claims GRT provides funding for:**
 - **State-mandated contribution to Medicaid – 50% of Indigent GRT collections**
 - **Sole Community Provider Hospitals – Nor Lea and Lea Regional**
 - **County Diabetes Program**
 - **County inmate medical care**
 - **Indigent burials**
 - **County non-profit behavioral/mental health providers**
- **Current-year mandated Medicaid liability totals \$2,540,000**
- **Current-year Sole Community Provider funding totals \$1,500,000**
- **Current-year estimated inmate health care costs total \$1,350,000**
- **Current-year local behavior/ mental health agencies funding totals \$650,000**

2013 Lea County Community Information

Fact Sheet

October 2, 2013



Community Details

- 4,390 Square Miles
- Unemployment Rate August 2013- 3.8%
- Median Age 31.4

Lea County Population

Lea County experienced the largest population increase in New Mexico from 2011-2012, according to the United States Census Bureau.

Population Growth from 2011-2012- 1.8%

Population Growth from 2000-2010- 16.7%

Lea County 2013 Total Population- 66,118

- Hobbs, NM 2012- 43,937
- Lovington, NM 2012- 14,973
- Eunice, NM 2012- 3,255
- Tatum, NM 2012- 1,434
- Jal, NM 2012- 2,168

Community Hospitals

- Nor-Lea General Hospital- Lovington, NM
 - Publicly owned
- Lea Regional Medical Center- Hobbs, NM
 - Privately owned
- 3 Hospital and Special Districts
 - Lovington- Nor-Lea Hospital District
 - Eunice Special District- Health Clinic
 - Jal Special District- Health Clinic

*Statistics provided by the United States Census Bureau and the Economic Development Corporation of Lea County

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New Mexico oil patch county paces population growth

By Barry Massey The Associated Press
Updated: 05/24/2013 10:55:16 PM MDT

Population growth in NM cities 2010-2012

Population estimates released Thursday by the Census Bureau for New Mexico's largest cities, and the percentage change from July 2010 to July 2012. The percentages are rounded.

City	July 2010	July 2012	Percent change
Albuquerque	547,264	555,417	1.5%
Las Cruces	98,230	101,047	2.9%
Rio Rancho	88,008	90,818	3.2%
Santa Fe	68,130	69,204	1.6%
Roswell	48,491	48,477	0.0%
Farmington	45,961	45,854	-0.2%
Clovis	38,244	39,197	2.5%
Hobbs	34,094	35,007	2.7%
Alamogordo	30,655	31,500	2.8%
Carlsbad	26,168	26,697	2.0%
Gallup	21,787	22,088	1.4%
Los Lunas	14,920	15,168	1.7%
Deming	14,863	14,793	-0.5%
Sunland Park	14,298	14,776	3.3%
Las Vegas	13,745	13,529	-1.6%
Portales	12,394	12,723	2.7%
Artesia	11,331	11,365	0.3%
Lovington	10,996	11,275	2.5%
Silver City	10,278	10,273	0.0%
Espanola	10,256	10,240	-0.2%

SANTA FE — Lea County, in the heart of southeastern New Mexico's bustling oil patch, was the fastest-growing county in the state last year, while two-third of the counties lost population, according to the Census Bureau.

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With New Mexico's economy still weak, the statewide population increased by a meager 0.3 percent from 2011 to 2012. All of the growth came from births, because more people left New Mexico than moved into the state, according to the federal agency's latest population estimates.

"I am very disturbed about this," said Jack Baker, the state demographer and senior researcher in geospatial and population studies at the University of New Mexico. "What worries me most is that now we're looking very negative on migration. That's the first time we've seen that in 20 years."

The Census Bureau estimated a net loss of about 5,200 people from migration into and out of the state from July 2011 to July 2012. The loss was somewhat smaller — about 1,100 people — when viewed from April 2010 to mid-2012. Births and deaths are other components of population change.

"More people are leaving than are coming. That's a problem. They're probably exploring their economic opportunities elsewhere. That's probably the driver of that but that's not good for us," Baker said in a telephone interview this week.

Lea County's population grew by 1.8 percent last year, and Baker attributed much of that to the booming oil field economy. There's also a uranium enrichment plant in the county near the small community of Eunice. The county ranked fourth in the state in population growth in the past decade.

New Mexico's population increased by 13 percent from 2000 to 2010, when about two-fifths of the counties lost population. However, Baker said the state's growth has been flattening since the economy soured.

The state has lost nearly 43,000 jobs since the recession began in late 2007, according to Gerry Bradley, an economist and research director for New Mexico Voices for Children, a social services advocacy group.

The state has started to slowly gain jobs and Bradley said one of the economic bright spots is in the Santa Teresa area in Dona Ana County because of an industrial development near the international border with Mexico.

Among larger communities, several in southern New Mexico led the state in the rate of population growth from mid-2010 to mid-2012, according to estimates released Thursday by the Census Bureau.

Sunland Park's population increased 3.3 percent, followed by Rio Rancho at 3.2 percent, Las Cruces at 2.9 percent, Alamogordo at 2.8 percent and Hobbs at 2.7 percent.

Rio Rancho, which flanks Albuquerque, was the fastest growing city in the past decade — increasing by 69 percent.

Sandoval County, which includes Rio Rancho, followed Lea County in population growth at 1 percent last year, and Eddy County was up 0.8 percent. Otero, Curry, Santa Fe and Dona Ana counties each grew by 0.7 percent from 2011 to 2012.

Bernalillo County, the state's largest that includes Albuquerque, grew by 0.5 percent. Only three other counties had population growth: San Juan, 0.4 percent; Chaves, 0.2 percent; and Union County, 0.1 percent.

In the past decade, Sandoval County was the fastest-growing. Its population increased by 46 percent from 2000 to 2010, but Baker said that was fueled by a dramatic growth in housing in Rio Rancho.